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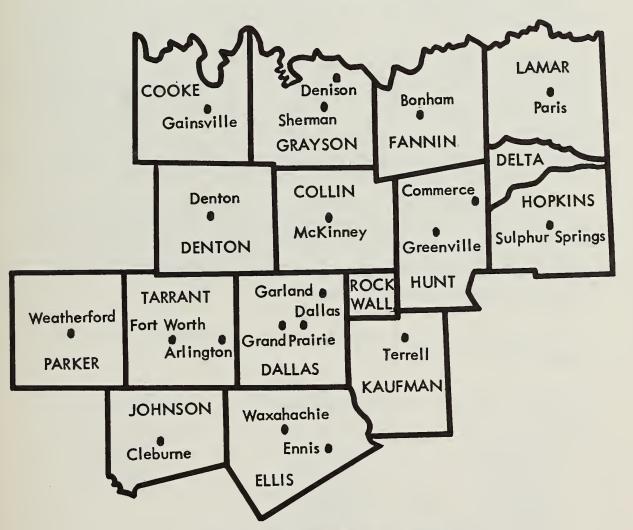
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MILK MARKETING ORDER NO. 43, AS AMENDED (7 C.F.R., PART 943)

UNITED STATES DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE DAIRY DIVISION

COMPILATION OF THE ORDER, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE NORTH TEXAS MARKETING AREA EFFECTIVE SEPTEMBER 1 AND OCTOBER 1, 1951 (INCLUDING AMENDMENTS EFFECTIVE MAY 1, 1952; OCTOBER 1, 1952; AUGUST 1, 1953; MARCH 1, 1954; AND APRIL 1, 1954)



These sixteen counties comprise the North Texas marketing area

Compiled and Published by MARKET ADMINISTRATOR DALLAS, TEXAS APRIL 1954



PREFATORY NOTE

This compilation is intended to indicate the status of the North Texas milk marketing order (Order No. 43) as at April 1, 1954. The effective date of Order No. 43 and each amendment thereto, the docket number by which each proceeding culminating in the issuance or amendment of Order No. 43 was identified, and the Federal Register citation and date of publication of Order No. 43 and each amendment thereto are as follows:

	Effective Date	Docket Number	Federal Register Cit. & Date of Publication
Order No. 43	Sept. 1 and Oct. 1, 1951	AO-231	16 F.R. 8420, 8/23/51
Amend. No. 1 Amend. No. 2 Amend. No. 3 Amend. No. 4 Amend. No. 5	May 1, 1952 Oct. 1, 1952 Aug. 1, 1953 March 1, 1954	AO-231-A-2 AO-231-A-3 AO-231-A-4	17 F.R. 3817, 4/30/52 17 F.R. 8651, 9/30/52 18 F.R. 4491, 7/31/53 19 F.R. 1205, 3/4/54 19 F.R. 1789, 4/1/54

Amendments No. 2 and No. 4 were both self-terminating. Amendment No. 2 related only to the pricing of Class I milk (Sec. 943.51 (a)(3)) during the months of October 1952 through March 1953 and Amendment No. 4 related only to the pricing of Class II milk (Sec. 943.51 (b)) during March 1954.

Amendments No. 1, 3, and 5 related to the following provisions of the order:

Amendment No. 1	Amendment No. 3	Amendment No. 5
Sec. 943.43(b)	Sec. 943.7	Sec. 943.41(b)(3)
943.44(a)	943.10	943.51(b)
943.46(a)	943.16	943.52(b)
943.50(c)	943.17	
943.51(a) and (b)	943,22(h)	
943.73(a) and (c)	943.41	
	943.43(b)	
	943.44(c),(d), (d)	e)
	943.46(a) (4) th	rough (8)
	943.50(a)	

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MILK MARKETING ORDER NO. 43

Amendment No. 1	Amendment No. 3	Amendment No. 5
	943.51	
	943.52	
	943.70	,
	943.80(a)	
	943.90(b)	
	943.91	

On two separate occasions certain provisions of Order No. 43 have been suspended and on one occasion certain provisions of Order No. 43 were terminated, as follows:

	Effective Date	Federal Register Citation and Date of Publication
Suspension	May 5 through June	
	30, 1952	17 F.R. 4287, 5/10/52
Suspension	January 8, 1953	18 F.R. 273, 1/14/53
Termination	December 18, 1953	18 F.R. 8671, 12/24/53

The 1952 suspension was for a limited period of time, and the 1953 suspension was superseded by Amendment No. 3. Both suspensions related to the classification of milk, skim milk, or cream transferred or diverted to an unapproved plant (Sec. 943.44 (c) and (e)). The termination related to the basic formula price computation (Sec. 943.50(a)).

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TITLE 7 – AGRICULTURE

CHAPTER IX – AGRICULTURAL MARKETING SERVICE

(MARKETING AGREEMENTS AND ORDERS)

PART 943 – HANDLING OF MILK IN THE

NORTH TEXAS MARKETING AREA

ORDER, AS AMENDED

(The Findings and Determinations Section 943.0 of Order No. 43 and each amendment thereto have been omitted in this compilation—only the regulatory provisions of the order, as amended, are set forth here. Order No. 43 and each amendment thereto was issued pursuant to authority contained in the Agricultural Marketing Agreement Act of 1937 Sec. 5, 49 Stat. 753, as amended; 7 U.S.C. and Sup. 608c).

DEFINITIONS

- \$ 943.1 Act. "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).
- § 943.2 Secretary. "Secretary" means the Secretary of Agriculture or such other officer or employee of the United States as is authorized to excercise the powers or to perform the duties of the said Secretary of Agriculture.
- § 943.3 Department. "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions specified in this subpart.
- \$ 943.4 Person. "Person" means any individual, partnership, corporation, association, or any other business unit.
- \$ 943.5 Cooperative association. "Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

MILK MARKETING ORDER NO. 43 \$943.5(a) - \$943.7

- (a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and
- (b) To have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members.
- § 943.6 North Texas marketing area. "North Texas Marketing area," hereinafter called the marketing area, means all territory, including all municipal corporations, Federal military reservations, facilities and installations and State institutions, within the counties of Cooke, Collin, Dallas, Delta, Denton, Ellis, Fannin, Grayson, Hopkins, Hunt, Johnson, Kaufman, Lamar, Parker, Rockwall, and Tarrant, all in the State of Texas.
 - § 943.7 Approved plani. "Approved plant" means:
- (a) A milk plant approved by any health authority having jurisdiction in the marketing area for the processing or packaging of Grade A milk or milk products and from which such milk or milk products are disposed of on route(s) in the marketing area; or
- (b) A milk plant approved by and under the routine inspection of the appropriate health authority of the city of Dallas or of the city of Fort Worth, at which milk from dairy farmers inspected and approved by such authority is weighed and commingled; and
- (1) 50 percent or more of the receipts of such milk during the month is moved from such plant as milk or skim milk in bulk to plant(s) specified in paragraph (a) of this section and assigned as reserve supply credit pursuant to \$ 943.17; or
- (2) (i) Such plant has qualified as an approved plant pursuant to subparagraph (1) of this paragraph during four months of the current or immediately preceding period of August through January, or in lieu thereof with respect to qualification through January 1954, such plant was an approved plant pursuant to this order during the month of May 1953, (ii) written application for continuing status as an approved plant has been filed with the market administrator, and (iii) disposition of milk from such plant has been such that it is still possible for such plant to qualify as an approved plant pursuant to subparagraph (1) of this paragraph during four of the months within the period of August through January next following the period of qualification described in subdivision (i) of this subparagraph.

MILK MARKETING ORDER NO. 43 \$943.8 - \$943.13

- § 943.8 Unapproved plant. "Unapproved plant" means any milk plant which is not an approved plant.
 - \$ 943.9 Handler. "Handler" means:
- (a) Any person in his capacity as the operator of an approved plant; or
- (b) Any cooperative association with respect to the milk of any producer which it causes to be diverted to an unapproved plant for the account of such cooperative association.
- § 943.10 Producer. "Producer" means any person, other than a producer-handler, who produces milk approved by the applicable health authorities having jurisdiction within the marketing area for consumption as Grade A milk, which milk is received directly from the farm at an approved plant. "Producer" shall not include any such person during periods of temporary degrading by such health authority if such health authority notifies the operator of the approved plant or the market administrator in writing of the effective date or dates of such action and subsequent reapproval. "Producer" shall include any such person whose milk is caused to be diverted by a handler to an unapproved plant for the account of such handler and milk so diverted shall be regarded for all purposes of this order to have been received by such handler at an approved plant at the location of such unapproved plant and then transferred to the unapproved plant. "Producer" shall not include any such person with respect to milk produced by him which is received at a plant operated by a handler who is subject to another Federal marketing order and who is partially exempt from this subpart pursuant to \$ 943.61.
- \$ 943.11 Producer milk. "Producer milk" means all skim milk and butterfat in milk produced by a producer which is received by a handler either directly from producers or from other handlers.
- \$ 943.12 Other source milk. "Other source milk" means all skim milk and butterfat other than that contained in producer milk.
- \$ 943.13 Producer-handler. "Producer-handler" means any person who produces milk and operates an approved plant, but

MILK MARKETING ORDER NO. 43 \$ 943.13 - \$ 943.20

who receives no milk from producers.

- \$ 943.14 Base milk. "Base milk" means producer milk received by a handler during any of the months of April through June which is not in excess of each producer's daily average base computed pursuant to \$ 943.80 multiplied by the number of days in such month for which such producer delivered milk to such handler.
- \$ 943.15 Excess milk." "Excess milk" means milk received by a handler during any of the months of April through June which is in excess of base milk received from each producer during such month, and it shall include all milk received from producers for whom no daily average base can be computed pursuant to \$943.80.
- \$ 943.16 Route. "Route" means any delivery (including any delivery by a vendor or disposition at a plant store) of milk, skim milk, buttermilk, flavored milk, flavored milk drinks or cream other than a delivery in bulk form to a milk processing plant.
- \$ 943.17 Reserve supply credit. The hundredweight of reserve supply credit that may be assigned to milk moved to a plant described in \$ 943.7 (a) shall be calculated as follows: From the total hundredweight of milk disposed of as Class I milk from the transferee-plant during the month deduct Class I sales to other handlers and from this result deduct an amount equal to 85 percent of the total hundredweight of milk received from producers during the month at such plant. Any plus figure resulting from this calculation shall be assigned pro rata to milk moved to such plant from plants described in \$ 943.7 (b) unless the operator of the transferee-plant notifies the market administrator in writing of a different assignment on or before the 7th day after the end of the month.

MARKET ADMINISTRATOR

\$ 943.20 Designation. The agency for the administration of this subpart shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

MILK MARKETING ORDER NO. 43 \$943.21 - \$943.22(h)

- § 943.21 *Powers*. The market administrator shall have the following powers with respect to this subpart:
 - (a) To administer its terms and provisions;
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and
 - (d) To recommend amendments to the Secretary.
- § 943.22 Duties. The market administrator shall perform all duties necessary to administer the terms and provisions of this subpart, including but not limited to the following:
- (a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary.
- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;
- (c) Obtain a bond in reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;
- (d) Pay out of funds provided by \$ 943.97 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses (except those incurred under \$ 943.96) necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;
- (e) Keep such books and records as will clearly reflect the transactions provided for herein, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;
- (f) Submit his books and records to examination by the Secretary and furnish such information and reports as the Secretary may request;
- (g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;
- (h) Publicly announce, at his discretion, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, after the day upon which

MILK MARKETING ORDER NO. 43 \$943.22(h) - \$943.30(b)

he is required to perform such acts, has not:

- (1) Made reports pursuant to \$\$ 943.30 to 943.32, inclusive;
- (2) Maintained adequate records and facilities pursuant to \$ 943.33; or
 - (3) Made payments pursuant to \$\$ 943.90 to 943.95, inclusive.
- (i) On or before the 12th day after the end of each month, report to each cooperative association which so requests the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report the milk so received shall be prorated to each class in the proportion that the total receipts of milk from producers by such handler were used in each class;
- (j) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each month as follows;
- (1) On or before the 5th day of each month the minimum price for Class I milk, pursuant to \$ 943.51 (a) and the Class I butter-fat differential pursuant to \$ 943.52 (a), both for the current month; and the minimum price for Class II milk pursuant to \$ 943.51 (b) and the Class II butterfat differential pursuant to \$ 943.52 (b), both for the preceding month; and,
- (2) On or before the 12th day of each month, the uniform prices computed pursuant to \$ 943.72 or \$ 943.73, as applicable, and the butterfat differential computed pursuant to \$ 943.91, both applicable to milk delivered during the preceding month; and
- (k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.
- (1) Furnish to a cooperative association for its members the data furnished pursuant to \$ 943.31 (a).

REPORTS, RECORDS AND FACILITIES

- \$ 943.30 Reports of receipts and utilization. On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:
- (a) The quantities of skim milk and butterfat contained in milk received from producers and, for the months of April through June, the aggregate quantities of base milk and excess milk;
- (b) The quantities of skim milk and butterfat contained in (or used in the production of) receipts from other handlers;

MILK MARKETING ORDER NO. 43 \$943.30(c) - \$943.33(a)

- (c) The quantities of skim milk and butterfat contained in receipts of other source milk (except Class II products disposed of in the form in which received without further processing or packaging by the handler);
- (d) The utilization of all skim milk and butterfat required to be reported pursuant to this section;
- (e) The disposition of Class I products on routes wholly outside the marketing area; and
- (f) Such other information with respect to receipts and utilization as the market administrator may prescribe.
- § 943.31 Payroll reports. On or before the 20th day of each month, each handler shall submit to the market administrator his producer payroll for deliveries of the proceding month, which shall show;
- (a) The total pounds and the average butterfat test of milk received from each producer and cooperative association, the number of days, if less than the entire month, for which milk was received from such producer, and, for the months of April through June, such producer's deliveries of base milk and excess milk;
- (b) The amount of payment to each producer and cooperative association; and.
- (c) The nature and amount of any deduction or charge involved in such payments.
- § 943.32 Other reports. (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.
- (b) Each handler who causes milk to be diverted for his account directly from producers' farms to an unapproved plant shall, prior to such diversion, report to the market administrator and to the cooperative association of which such producer is a member his intention to divert such milk, the proposed date or dates of such diversion and the plant to which such milk is to be diverted.
- § 943.33 Records and facilities. Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:
 - (a) The receipts and utilization of all receipts of producer milk

MILK MARKETING ORDER NO. 43 § 943.33(a) - § 943.41(a)(2)

and other source milk;

- (b) The weights and tests for butterfat and other content of all milk, skim milk, cream and milk products handled;
 - (c) Payments to producers and cooperative associations; and,
- (d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and milk products on hand at the beginning and end of each month.
- \$ 943.34 Retention of records. All books and records required under this subpart to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: Provided, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

- \$ 943.40 Skim milk and butterfat to be classified. All skim milk and butterfat received within the month by a handler and which is required to be reported pursuant to \$ 943.30 shall be classified by the market administrator pursuant to the provisions of \$\$ 943.41 to 943.46, inclusive.
- \$ 943.41 Classes of utilization. Subject to the conditions set forth in \$\$ 943.43 and 943.44, the classes of utilization shall be as follows:
- (a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat:
- (1) Disposed of in the form of milk, skim milk, buttermilk, flavored milk drinks, cream, cultured sour cream, any mixture (except eggnog and bulk ice cream and frozen dairy product mixes) of cream and milk or skim milk;
- (2) Used to produce concentrated (including frozen) milk, flavored milk or flavored milk drinks disposed of for fluid con-

MILK MARKETING ORDER NO. 43 \$ 943.41(a)(2) - \$ 943.43(b)

sumption neither sterlized not in hermetically sealed cans; and

- (3) All other skim milk and butterfat not specifically accounted for as Class II milk;
 - (b) Class II milk shall be all skim milk and butterfat:
- (1) Used to produce any product other than those specified in paragraph (a) of this section;
 - (2) Disposed of for livestock feed;
- (3) Disposed of (i) as bulk milk or skim milk during the months of March through August, (ii) as bulk cream during any month, and (iii) as ungraded bulk milk or skim milk during any month, to commercial bakeries or food product manufacturing plants (other than dairy plants) which do not dispose of milk for fluid consumption: Provided, That the amount of skim milk or butterfat so classified pursuant to subdivision (iii) of this subparagraph shall not exceed the butterfat and skim milk contained in ungraded milk received by such handler from dairy farmers during the month.
- (4) In frozen cream stored in a public cold storage warehouse and not removed within 30 days after date of storage;
- (5) In shrinkage up to 2 percent (5 percent, with respect to receipts of skim milk during the months of April, May and June) of skim milk and butterfat in receipts from producers;
 - (6) In shrinkage of other source milk; and
- (7) In inventory at the end of the month in the forms specified in paragraph (a) (1) and (2) of this section.
- \$ 943.42 Shrinkage. The market administrator shall allocate shrinkage over a handler's receipts as follows:
- (a) Compute the total shrinkage of skim milk and butterfat for each handler; and
- (b) Prorate the resulting amounts between the receipts of skim milk and butterfat in receipts from producers and of other source milk.
- § 943.43 Responsibility of handlers and reclassification of milk. (a) All skim milk and butterfat shall be Class 1 milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.
- (b) Any skim milk or butterfat classified as Class II milk shall be reclassified if such skim milk or butterfat is later disposed of by such handler or by another handler (whether in original or other form) as Class I milk. Any skim milk or butter-

MILK MARKETING ORDER NO. 43 \$ 943.43(b) - \$ 943.44(e)

fat which was classified as Class II in the previous month pursuant to § 943.41 (b) (7) shall be reclassified as Class I if it is subtracted in the current month from Class I pursuant to § 943.46 (a) (5).

- § 943.44 Transfers. Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:
- (a) As Class I milk if transferred or diverted in the form of milk, skim milk or cream to the approved plant of another handler (other than a producer-handler) except as:
- (1) Utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred;
- (2) The receiving handler has utilization in Class II of an equivalent amount of skim milk and butterfat, respectively; and
- (3) Classification as Class II milk does not decrease the total volume of producer milk assigned pursuant to \$ 943.46 to Class I in the two plants: Provided, That this subparagraph shall not operate to classify as Class I milk any skim milk and butterfat transferred in the form of cream from ungraded sources for manufacturing purposes only from an approved plant at which ungraded milk is regularly received from dairy farmers.
- (b) As Class I milk, if transferred or diverted to a producerhandler in the form of milk, skim milk, or cream.
- (c) As Class I milk, if transferred or diverted in the form of milk or skim milk to an unapproved plant located (1) more than 300 miles from Dallas, Texas, by shortest highway distance as determined by the market administrator and (2) outside the counties of Barry, Cedar, Greene, Lawrence, Polk, Newton, and McDonald in the State of Missouri, and Benton in the State of Arkansas;
- (d) As Class I milk if transferred in the form of cream under Grade A certification to an unapproved plant, or unless the handler claims classification as Class II milk and established the fact that such cream was transferred without Grade A certification and with each container labeled or tagged to indicate that the contents are an ungraded product suitable for manufacturing use only, and that the shipment was so invoiced;
- (e) As Class I milk if transferred or diverted in the form of milk or skim milk to an unapproved plant not described in paragraph (c) of this section, unless the conditions in subparagraphs

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(1) and (2) of this paragraph are met:

- (1) The handler claims classification as Class II milk on the basis of utilization mutually indicated in writing to the market administrator by the handler and the operator of the unapproved plant on or before the 7th day after the end of the month within which such transfer occurred; and
- (2) The operator of the unapproved plant maintains books and records showing the receipts and utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification:
- (3) If the conditions in subparagraphs (1) and (2) of this paragraph are met, the classification reported by the handler shall be subject to verification by the market administrator as follows:
- (i) Determine the use of all skim milk and butterfat at such unapproved plant, and
- (ii) Allocate the skim milk and butterfat so transferred or diverted to the highest use classification remaining after subtracting, in series beginning with Class I milk, the skim milk and butterfat in milk received at the unapproved plant direct from dairy farmers who the market administrator determines constitute the regular source of supply for fluid usage of such unapproved plant in markets supplied by it.
- (iii) The classification of milk transferred or diverted to an unapproved plant from which all receipts are moved in bulk to a second unapproved plant for further processing shall be determined on the basis of utilization in such second plant.
- § 943.45 Computation of the skim milk and butterfat in each class. For each month, the market administrator shall correct for mathematical and for other obvious errors the monthly report submitted by each handler and shall compute the pounds of skim milk and butterfat in Class I milk and Class II milk for such handler.
- § 943.46 Allocation of skim milk and butterfat classified. After making the computations pursuant to § 943.45, the market administrator shall determine the classification of milk received from producers as follows:
 - (a) Skim milk shall be allocated in the following manner:
- (1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to \$ 943.41 (b) (3);
- (2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk received from other handlers in a form other than milk, skim milk or cream according to its classifi-

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cation to § 943.41;

- (3) Subtract from the remaining pounds the skim milk in Class II the pounds of skim milk received as Class II milk in the form of cream from ungraded sources from the approved plant of another handler at which ungraded milk is regularly received from dairy farmers;
- (4) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II, the pounds of skim milk in receipts of other source milk;
- (5) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II, the pounds of skim milk in inventory at the beginning of the month in the form of milk, skim milk, cream or any product specified in § 943.41 (a) (1) or (2);
- (6) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers in the form of milk, skim milk or cream (other than that allocated pursuant to subparagraph (3) of this paragraph) according to its classification as determined pursuant to § 943.44 (a);
- (7) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and
- (8) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be called "overage."
- (b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.
- (c) Determine the weighted average butterfat content of Class I and Class II milk computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

- \$ 943.50 Basis formula price to be used in determining Class I prices. The basic formula price to be used in determining the price per hundredweight of Class I milk shall be the highest of the prices computed pursuant to paragraphs (a), (b), and (c) of this section.
 - (a) The average of the basis or field prices per hundredweight

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reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department, divided by 3.5 and multiplied by 4.0:

PRESENT OPERATOR AND LOCATION

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Oxfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Company, Manitowoc, Wis.
White House Milk Company, West Bend, Wis.

- (b) The price per hundredweight computed by adding together the plus values to subparagraphs (1) and (2) of this paragraph:
- (1) From the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month, subtract 3 cents, add 20 percent thereof, and multiply by 4.0.
- (2) From the simple average as computed by the market administrator of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5, and then multiply by 0.96.
- (c) The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat

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content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Location

Carnation Co., Sulphur Springs, Tex. The Borden Co., Mount Pleasant, Tex. Lamar Creamery, Paris, Tex.

- \$ 943.51 Class prices. Subject to the provisions of \$ 943.52 the minimum prices per hundredweight to be paid by each handler for milk received at his approved plant from producers during the month shall be as follows:
- (a) Class I milk. The basic formula price (rounded to the nearest one-tenth cent for the preceding month, plus \$2.00 for each of the months of April, May and June, and plus \$2.20 for all other months, subject to the following:
- (1) A supply-demand adjustment of not more than 50 cents computed as follows:
- (i) For the second and third months preceding the month to which the price applies determine the total pounds of Class I milk (less interhandler transfers) for all handlers exclusive of producer-handlers and handlers partially exempt from this order pursuant to § 943.61;
- (ii) For the same months determine the total pounds of milk received from producers by the same handlers;
- (iii) Divide the result obtained in subdivision (ii) of this subparagraph by the result obtained in subdivision (i) of this subparagraph to obtain a "net utilization percentage," rounded to the nearest whole percent;
- (iv) For each percentage point that the "net utilization percentage" is less than the minimum percentage listed below for such two-month period the Class I price shall be increased 2 cents in April, May and June, 3 cents in July, August, December, January, February and March, and 4 cents in September, October, and November; for each percentage point that the "net utilization percentage" is more than the maximum percentage listed below for such two-month period the Class I price shall be decreased 4 cents in April, May and June, 3 cents in July, August, December, January, February and March; and 2 cents in September, October and November:

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	Percentages		M .1 .	
2-month period	Mini- mum	Maxi- mum	Month to which adjustment applies	
January_February	108	118	April	
February_March	112	122	May	
March_April	115	125	June	
April_May	120	130	July	
May_June	125	135	August	
June_July	120	130	September	
July_August	115	125	October	
August_September	107	117	November	
September_October	100	110	December	
October_November	100	110	January	
November_December	102	112	February	
December_January	105	115	March	

- (2) Except for adjustments pursuant to subparagraph (1) of this paragraph, such price for each of the months of October, November and December shall not be less than that for the preceding month, and such price for each of the months of April, May and June shall not be more than that for the preceding month.
- (b) Class II milk. For each of the months of April, May and June, the price computed pursuant to § 943.50 (c), rounded to the nearest one-tenth cent; for each of the months of July 1954 through March 1955, the price computed pursuant to \$ 954.50 (b) less 16 cents or the price computed pursuant to \$ 943.50 (c), whichever is higher, rounded to the nearest one-tenth cent; and for each of the other months of the year, the price computed pursuant to § 943.50 (b) or the price computed pursuant to § 943.50 (c), which ever is higher, rounded to the nearest one-tenth cent: Provided, That for each of the months of April, May, June, and July 1954, the minimum price per hundredweight for Class II milk disposed of for use in Cheddar cheese shall be computed by multiplying the simple average of the daily prices paid per pound, using the midpoint of any price range as one price, for Wisconsin State Brand Cheddars in cars or truckloads, f.o.b. Wisconsin assembly points, as reported by the Department for the trading days during such month, by 8.0.

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- \$ 943.52 Butterfat differentials to handlers. If the average butterfat content of the milk of any handler allocated to any class pursuant to \$ 943.46 is more or less than 4.0 percent, there shall be added to the respective class price, computed pursuant to \$ 943.51, for each one-tenth of 1 percent that the average butterfat content of such milk is above 4.0 percent, or subtracted for each one-tenth of 1 percent that such average butterfat content is below 4.0 percent, an amount equal to the butterfat differential computed by multiplying the simple average, as computed by the market administrator, of the daily wholesale selling price per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago as reported by the Department during the appropriate month by the applicable factor listed below, dividing the result by 10 and rounding to the nearest one-tenth cent.
- (a) Class I milk. Multiply such price for the preceding month by 1.25;
- (b) Class Il milk. For each of the months of April 1954 through June 1955, multiply such price for the current month by 1.08 and for each month after June 1955, multiply such price for the current month by 1.15.

APPLICATION FOR PROVISIONS

- \$ 943.60 Producer-handlers. Sections 943.40 through 943.46, 943.50 through 943.52, 943.70 through 943.73, 943.80 through 943.81, and 943.90 through 943.97 shall not apply to a producer-handler.
- \$ 943.61 Handlers subject to other orders. In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing agreement or order issued pursuant to the act, the provisions of this subpart shall not apply except as follows:
- (a) The handler shall, with respect to the total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.
- (b) If the price which such handler is required to pay under the other Federal order to which he is subject for skim milk and butter fat which would be classified in Class I milk under this subpart is less than the price provided by this order, such handler shall pay to the market administrator for deposit into the producer-settlement

MILK MARKETING ORDER NO. 43 \$ 943.61(b) - \$ 943.71(a)

fund (with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area) an amount equal to the difference between the value of such skim milk or butterfat as computed pursuant to this subpart and its value as determined pursuant to the other order to which he is subject. Such payments shall be made on or before the 13th day of the following month.

DETERMINATION OF UNIFORM PRICE

- § 943.70 Computation of value of milk. The value of milk received during each month by each handler from producers shall be a sum of money computed by the market administrator as follows:
- (a) Multiply the pounds of such milk in each class by the applicable respective class prices and add together the resulting amount:
- (b) Add an amount computed by multiplying the pounds of overage deducted from each class pursuant to \$ 943.46 (a) (8) by the applicable class price(s); and
 - (c) Add any charges computed as follows:
- (1) For any skim milk or butterfat in inventory reclassified pursuant to \$ 943.43 (b) which is not in excess of the quantity in producer milk classified as Class II milk (other than as shrinkage) in the handler's plant(s) for the preceding month, a charge shall be computed at the difference between its value at the Class I price for the current month and its value at the Class II price of the preceding month;
- (2) For any other skim milk or butterfat reclassified pursuant to \$ 943.43 (b) a charge shall be computed at the difference between its value at the Class I price for the current month and its value at the Class II price for the month in which previously classified as Class II milk.
- § 943.71 Computation of aggregate value used to determine uniform price(s). For each month the market administrator shall compute as follows an aggregate value from which to determine the uniform price(s) per hundredweight for milk of 4.0 percent butterfat content received from the producers:
- (a) Combine into one total the values computed pursuant to \$ 943.70 for all handlers who made the reports prescribed in \$ 943.30 and who made the payments pursuant to \$\$ 943.90 and 943.93 for the preceding month.

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- (b) Add not less than one-half of the cash balance on hand in the producer-settlement fund, less the total amount of the contingent obligations to handlers pursuant to \$ 943.94.
- (c) Subtract if the average butterfat content of the milk included in these computations is greater than 4.0 percent or add if such average butterfat content is less than 4.0 percent an amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to \$ 943.91 and multiplying the resulting figure by the total hundredweight of such milk:
- \$ 943.72 Computation of uniform price. For each of the months of July through March, the market administrator shall compute the uniform price per hundredweight for all milk of 4.0 percent butter-fat content received from producers at an approved plant as follows:
- (a) Divide the aggregate value computed pursuant to \$ 943.71 by the total hundredweight of milk included in such computation; and
 - (b) Subtract not less than 4 cents nor more than 5 cents.
- \$ 943.73 Computation of uniform prices for base milk and excess milk. For each of the months of April through June the market administrator shall compute the uniform prices per hundred-weight for base milk and for excess milk, each of 4.0 percent butterfat content, received from producers at approved plants as follows:
- (a) Compute the total value on a 4.0 percent butterfat basis of excess milk included in these computations by (1) multiplying the hundredweight of such milk by the price for Class II milk of 4.0 percent butterfat content, and (2) adding to the result the amount, if any, indicated in paragraph (c) of this section:
- (b) Divide the total value of excess milk obtained in paragraph (a) of this section by the total hundredweight of such milk, and adjust to the nearest cent. The resulting figure shall be the uniform price for excess milk of 4.0 percent butterfat received from producers;
- (c) The total value of base milk included in these computations shall be the lesser of:
- (1) The aggregate value computed pursuant to \$ 943.71 less the value computed pursuant to paragraph (a) (1) of this section, or

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(2) The hundredweight of such base milk multiplied by the price for Class I milk of 4.0 percent butterfat content plus 4 cents.

Any amount by which the value computed pursuant to subparagraph (1) of this paragraph exceeds the value computed pursuant to subparagraph (2) of this paragraph shall be added to the total value of excess milk pursuant to paragraph (a) (2) of this section;

- (d) Divide the amount obtained in paragraph (c) of this section by the total hundredweight of base milk included in these computations; and
- (e) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for base milk of 4.0 percent butterfat content received from producers.

DETERMINATION OF BASE

- § 943.80 Computation of daily average base for each producer. For the months of April through June of each year the market administrator shall compute a daily average base for each producer as follows, subject to the rules set forth in § 943.81:
- (a) Divide the total pounds of milk received by a handler(s) from such producer during the months of October through January immediately preceding by the number of days, not to be less than 90, during the period(s) within which such producer made deliveries of milk in such months.
- \$ 943.81 Base rules. (a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base forming period;
- (b) Bases may be transferred only by notifying the market administrator in writing before the last day of any month that such base is to be transferred to the person named in such notice only as follows:
- (1) In the event of the death, retirement, or entry into military service of a producer the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operations.
- (2) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders.

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PAYMENTS

- \$ 943.90 Time and method of payment. Each handler shall make payment as follows:
- (a) On or before the 15th day after the end of the month during which the milk was received, to each producer for whom payment is not made pursuant to paragraph (c) of this section, at not less than the applicable uniform price (s) for such month computed pursuant to \$\$ 943.72 and 943.73, adjusted by the butterfat differential computed pursuant to \$943.91, and less the amount of the payment made pursuant to paragraph (b) of this section: Provided, That if by such date such handler has not received full payment for such month pursuant to \$943.94, he may reduce his total payments to all producers uniformly by not less than the amount of reduction in payments from the market administrator; he shall, however, complete such payments pursuant to this paragraph not later than the date for making such payments next following receipt of the balance from the market administrator.
- (b) On or before the 25th day of each month, to each producer (1) for whom payment is not made pursuant to paragraph (c) of this section and (2) who has not discontinued delivery of milk to such handler, an advance payment for milk received from such producer during the first 15 days of such month computed at not less than the Class II price for 4 percent milk of the preceding month, without deduction for hauling.
- (c) On or before the 13th and 23rd days of each month, in lieu of payments pursuant to paragraphs (a) and (b) of this section respectively, to a cooperative association which so requests, with respect to producers for whose milk such cooperative association is authorized to collect payment, an amount equal to the sum of the individual payments otherwise payable to such producers. Such payment shall be accompanied by a statement showing for each producer the items required to be reported pursuant to \$943.31.
- \$ 943.91 Producer butterfat differential. In making payments pursuant to \$ 943.90 (a) or (c), there shall be added to, or subtracted from the uniform price for each one-tenth of one percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, an amount determined from the simple average, as computed by the market administrator, of the daily wholesale selling prices per pound (using the mid-

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point of any price range as one price) of Grade A (92-score) bulk creamery butter at Chicago, as reported by the Department during the month, according to the following table:

	Butterfat
	differential
Butter price:	(cents)
20.0-29.99 cents	3
30.0-39.99 cents	4
40.0-49.99 cents	5
50.0-59.99 cents	6
60.0-69.99 cents	7
70.0-79.99 cents	8
80.0-89.99 cents	9
90.0-99.99 cents	10
\$1.00-\$1.10	11

\$ 943.92 Producer-settlement fund. The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund," into which he shall deposit all payments made by handlers pursuant to \$\$ 943.61 (b), 943.93 and 943.95, and out of which he shall make all payments to handlers pursuant to \$\$ 943.94 and 943.95.

\$ 943.93 Payments to the producer-settlement fund. On or before the 13th day after the end of the month during which the milk was received, each handler, including a cooperative association which is a handler shall pay to the market administrator the amount, if any, by which the value of the milk received by such handler from producers as determined pursuant to \$ 943.70 is greater than the amount required to be paid producers by such handler pursuant to \$ 943.90.

§ 943.94 Payments out of the producer-settlement fund. On or before the 14th day after the end of the month during which the milk was received, the market administrator shall pay to each handler, including a cooperative association which is a handler, the amount, if any, by which the value of the milk received by such handler from producers during the month as determined pursuant to § 943.70 is less than the amount required to be paid producers by such handler pursuant to § 943.90: Provided, That if the balance in the producer-settlement fund is sufficient to make all payments pursuant to this paragraph, the market administrator

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shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

- § 943.95 Adjustment of accounts. Whenever verification by the market administrator of any handler's reports books, records, accounts or payments discloses errors resulting in money due:
 - (a) The market administrator from such handler;
 - (b) Such handler from the market administrator; or
- (c) Any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.
- \$ 943.96 Marketing services. (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to \$ 943.90, shall deduct 5 cents per hundredweight or such amount not exceeding 5 cents per hundredweight as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of each month. Such moneys shall be used by the market administrator to sample, test, and check the weights of milk received and to provide producers with market information.
- (b) In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contact between such cooperative association and such producers and on or before the 15th day after the end of each month pay such deduction to the cooperative association rendering such services, accompanied by a statement showing the quantity of milk for which such deduction was computed for each such producer.
- \$ 943.97 Expenses of administration. As his pro rata share of of the expense of administration of this subpart, each handler shall pay to the market administrator on or before the 15th day after the end of the month 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, with respect to all receipts within the month of (a) other

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source milk which is classified as Class I milk, and (b) milk from producers including such handler's own production.

- \$ 943.98 Termination of obligation. The provisions of this section shall apply to any obligation under this subpart for the payment of money,
- (a) The obligation of any handler to pay money required to be paid under the terms of this subpart shall, except as provided in paragraphs (b) and (c) of this section terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such monmoney is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:
 - (1) The amount of the obligation;
- (2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and,
- (3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.
- (b) If a handler fails or refuses, with respect to any obligation under this subpart, to make available to the market administrator or his representatives all books and records required by this subpart to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.
- (c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this subpart to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.
 - (d) Any obligation on the part of the market administrator to

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pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8 (c) (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

- \$ 943.100 Effective time. The provisions of this subpart or any amendment hereto shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to \$ 943.101.
- \$ 943.101 Suspension or termination. The Secretary may suspend or terminate this subpart or any provision of this subpart whenever he finds this subpart or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This subpart shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.
- \$ 943.102 Actions after suspension or termination. If, upon the suspension or termination of any or all provisions of this subpart, there are any obligations thereunder, the final accrual or ascertainment of which required further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.
- \$ 943.103 Liquidation. Upon the suspension or termination of the provisions of this subpart, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such

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liquidating agent. If, upon such litigation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

\$ 943.110 Agents. The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this subpart.

\$ 943.111 Separability of provisions. If any provision of this subpart or its application to any person or circumstances, is held invalid, the application of such provisions and the remaining provisions of this subpart to other persons or circumstances, shall not be affected thereby.



